

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4455

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED JUNE 19, 2025

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SYNOPSIS

Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock.

CURRENT VERSION OF TEXT

As reported by the Assembly Budget Committee on June 26, 2025, with amendments.

(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT allowing an exemption from New Jersey gross income of
2 certain capital gains from the sale or exchange of qualified small
3 business stock and supplementing Title 54A of the New Jersey
4 Statutes.

5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

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9 1. Notwithstanding any law or regulation to the contrary, gross
10 income shall not include net gains or income derived from the sale,
11 exchange, or other disposition of qualified small business stock to
12 the extent such ¹gains or¹ income ¹**[is]** ¹are¹ exempt from federal
13 taxation pursuant to section 1202 of the federal Internal Revenue
14 Code of 1986 (26 U.S.C. s.1202).

15

16 2. This act shall take effect immediately and shall apply
17 ¹**[retroactively]**¹ to taxable years beginning on or after ¹the¹
18 January 1 ¹**[, 2025]** ¹next following the date of enactment¹.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ABU committee amendments adopted June 26, 2025.